

Navigant Consulting, Inc. Provides Invaluable Energy Industry Expertise to CERS

Navigant Consulting, Inc. (NCI) (www.navigantconsulting.com) is a national management-consulting firm with headquarters in Chicago. The company provides services to the regulated industries, including public and private segments of the restructured energy industry. The firm has considerable expertise in regional markets such as California and the Pacific Northwest, and in financial markets, engineering, regulation and public policy.

NCI has a major office located in Sacramento. This enables them to provide clients like CERS with their expertise in such fields as strategic analyses, contracting, transactions support and project development. Among other areas, the firm has expertise in power marketing analyses, transmission and distribution planning, generation facilities evaluation, rate and pricing studies and environmental assessments.

NCI provides CERS with *Energy Supply Procurement services* including:

- An evaluation of net short electricity estimates submitted by Investor Owned Utilities (IOUs).
- Support for evaluating power supply bids submitted to CERS.
- The collection and updating of information on power supply quantities and costs from contracted power sources.
- Estimates of fuel supply costs and requirements for contracted power supplies.
- Estimates of future power purchase costs in the short-term market.
- Evaluating electric transmission constraints and their impact on power supply.
- Monitoring actions of power suppliers and state agencies for resultant effect on the availability and cost of power supplies to meet net short electric requirements.

In addition, NCI is preparing a “*Consultant’s Report*” that will accompany the Official Statement for an anticipated \$12.5 billion Power Supply Revenue Bond issue by the State of California. In part, the report will evaluate economic, engineering, and regulatory aspects of CERS operations. It will also contain information on energy procurement, resource planning and other related matters to support the preparation of an estimate of annual operating results for DWR and its CERS division, from January 1, 2001 through December 31, 2010.

NCI’s efforts are led by Ron Nichols, Senior Managing Director. He is leader of the firm’s Generation and Transmission Practice Area and head of the Sacramento office. Mr. Nichols has more than 25 years of management consulting experience in the electric power, electric utility and water supply industries. His expertise includes strategic planning, market entry assessments, power marketing, economic feasibility studies, rate analyses, regulator compliance strategy development, financing and comprehensive project management.